



# City of Culver City

Mike Balkman Council  
Chambers  
9770 Culver Blvd.  
Culver City, CA 90232

## Staff Report

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**File #:** 21-434, **Version:** 1

**Item #:** C-8.

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**CC - Approval of Amendment to Existing Memorandum of Understanding and Lease Agreement with Wende Museum of the Cold War, Inc for 10808 Culver Boulevard to Add Lease of City Owned Property at 10858 Culver Boulevard**

**Meeting Date:** November 9, 2020

**Contact Person/Dept:** Jesse Mays, Assistant City Manager

**Phone Number:** City Manager's Office (310) 253-6000

**Fiscal Impact:** Yes ☒ No ☐

**General Fund:** Yes ☐ No ☒

**Public Hearing:** ☐ **Action Item:** ☒ **Attachments:** ☒

**Commission Action Required:** Yes ☐ No ☒ **Date:**

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (11/04/2020); 10858 Culver Blvd., Community Gardening, Culver City News & Events, Housing Issues, Parks, Recreation & Community Services Updates (10/28/2020)

**Department Approval:** John Nachbar, City Manager (11/04/2020)

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### **RECOMMENDATION**

Staff recommends the City Council approve an amendment to the existing Memorandum of Understanding and Lease Agreement with the Wende Museum of the Cold War, Inc (Wende) for the property located at 10808 Culver Boulevard to include the lease of City-owned property at 10858 Culver Boulevard.

### **BACKGROUND**

On February 24, 2020, after an extensive public input process, the City Council voted unanimously to allow Wende to proceed with its proposal to develop a Creative Community Center at the City-owned property at 10858 Culver Boulevard, and to proceed through project entitlements. Wende has begun the entitlement process for the property and is drafting a Comprehensive Plan amendment for the property, as well as the adjacent parcel containing the Community Garden. The Comprehensive Plan amendment is expected to be considered by the Planning Commission early next year. At the same

time, staff has negotiated lease terms with Wende representatives about the terms of a lease of the 10858 Culver Boulevard property from the City.

### **DISCUSSION**

The lease term is for 75 years, concurrent with lease of 10808 Culver Boulevard (the former Armory Building) to Wende, which began on December 1, 2017 and will end on November 30, 2092. The lease consideration will remain the same as the existing lease for 10808 Culver Boulevard, which is \$1 per year. The site will be developed into a new education center and theater to be used both by the public and also by the Wende Museum in connection with the adjacent Wende Museum Campus. The tentative plan is to renovate the existing A-Frame building, including the theater, and add an additional approximately 5,000 sf of space, at Wende's sole cost. A summary of the proposed terms, which have been agreed to by the Wende Museum, are contained in the attached Term Sheet.

### **FISCAL ANALYSIS**

The City will waive a variety of City fees associated with the project, valued at approximately \$425,000. The value of the City's leasehold interest in the property is difficult to determine, due to the unique zoning and comprehensive plan restrictions on the property. Wende will make an estimated \$6.5 million in improvements to the property. Wende's assumption of the ongoing costs such as utilities, taxes, insurance, maintenance, repairs, and management and operation of the community center is estimated to be approximately \$250,000 a year. These and other public benefits Wende will provide as part of this agreement are estimated to exceed the City's contribution of the leasehold interest and fee waivers for the project.

### **ATTACHMENTS**

1. 2020-11-09\_ATT\_10858\_Culver\_Lease\_Term\_Sheet

### **MOTION**

That the City Council:

1. Approve an Amendment to the existing Memorandum of Understanding and Lease Agreement with Wende Museum of the Cold War reflecting the terms described in the Term Sheet.
2. Authorize the City Attorney to review/prepare the necessary documents; and,
3. Authorize the City Manager to execute such documents on behalf of the City.